M E M O R A N D U M

#04-04

TO: Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: July 3, 2003

SUBJECT: SUPER CARD AND PAYMENT MANAGER

The purpose of this memo is to update organizations about recent changes to the Super Card program and to announce the rollout of the software program designed to assist with the administration of the Super Card.

The Division of Accounting has been mandated to increase the use of the Super Card in the State's business practices. Consequently, Accounting Memo #03-04 was sent to all State organizations requiring the use of the credit card for travel purposes. The memo specifically stated, "All travel related expenditures, regardless of the provider, **must** be made through use of the PNC Super Card, in the name of the individual state employee."

Additionally, a paragraph is being included in RFP's issued by the Departments of Administrative Services and Transportation, requiring the selected vendor to accept the Super Card as a method of payment for goods and services. As a result of these actions, the number of cardholders has increased significantly to 2,500 statewide.

In order to increase the efficiency of the Super Card program, the "Payment Manager" software was installed and has been tested centrally for the last six months. The reports functionality of the software is now ready for statewide use.

Change controls of Merchant Category Codes

Visa assigns a Merchant Category Code (MCC) for each merchant (vendor). The MCC code is a number that describes the category or grouping of business services the vendor provides. For example, vendors that provide Telecommunications services are assigned categories (groupings of business services) such as cell phones. It is almost impossible to control the cards based on the MCC alone because there is no way to block a code that invariably will not cause a problem for cardholders. A good example is restaurants. Most restaurants also sell liquor and thus have a MCC that allows for the purchase of alcoholic beverages; an expenditure that is forbidden by the state.

To alleviate the administration of the MCC, Profiles have been established within the Payment Manager software which reflect types of spending; Travel and Purchasing. The Travel Profile contains MCCs restricted to travel - public transportation, hotels/motels, restaurants, and conferences. The Purchasing Profile includes all travel MCCs plus a host of other MCCs used to facilitate purchasing goods and services from non-travel vendors. Within each Profile, dollar limits or caps have been established. These caps are in effect for a cycle which ends the twenty seventh of each month. The Purchasing card has a single transaction cap of $2,500 whereas the travel card is unrestricted up to the credit card limit per transaction.

There are two other Profiles: Open and Null.
- The Open Profile allows expenditures for all MCC codes with the exception of those strictly forbidden by law.
- The Null Profile allows the card to remain active without permitting expenditures against the card. It has a zero CAP (the card has a zero dollar limit) and no MCC codes assigned. Null Profiles allow greater security for the organization for the occasional user because the card can be activated within minutes with the use of the Payment Manager software.

The chart below shows Card limits within the profile structure. Also, attached is a graphical presentation of the Super Card program.

Synopsis of Profiles

TRAVEL NO single transaction limit : Card Limits (CAP)	PURCHASING	OPEN	NULL
$ 2,000	$ 1,000 ; single transaction limit-1,000	$10,000	Card Number
$ 3,000	$ 2,000 single transaction limit-2,000	$20,000	Active only
$ 4,000	$ 3,000: single transaction limit-2,500	$30,000	No Spend ability
$ 5,000:	$ 4,000 single transaction limit-2,500		
$10,000	$ 5,000 single transaction limit-2,500		
$15,000	$10,000 single transaction limit-2,500		
$20,000	$15,000 single transaction limit-2,500		
$30,000	$20,000 single transaction limit-2,500		
	$30,000 single transaction limit-2,500		

ATM

All Super Cards have ATM capability. The ATM feature was enabled to provide employees with access to cash while traveling on behalf of the State, to consolidate all travel transactions through the use of the Super Card, and to eliminate the need for travel advances.

The coordinator can control access to the ATM's by retaining the PIN in a secured environment within the organization. PINs are mailed several days after the issuance of the card to maintain confidentiality and security.

The ATM cash limit for all cards is determined based upon the percent of the remaining balance on the card. The total dollar amount available on the card for cash is also subject to the limits an ATM will allow. For example, an ATM at WSFS may have a different ATM withdrawal limit than one from PNC bank. ATM withdrawals are based upon the monthly billing cycle. Also be aware that some ATMs charge a usage fee, which is an acceptable business expense.

Payment Manager

The Payment Manager software has two distinct segments, Administration and Reports. The Reports functionality will be rolled out to ten pilot organizations beginning the second week of July 2003. The Reports functionality will be rolled out to all remaining organizations from the end of July through the end of August. In order to ensure organizations are fully prepared, hands-on training will be presented, for a period of two hours, to agency coordinators and a backup. A complete training schedule will be sent to all coordinators the week of July 7. Mr. Lewis Brooks, our Training Coordinator, will schedule the training and send complete instructions to all coordinators.

Payment Manager is a WEB based application. All that is required for use is access to the Internet, a logon ID and Password, and assignment of access rights to the software.

Payment Manager offers a variety of reports and the ability to export data. The on-line "Purchasing Dashboard" presents graphical summary information for a selected date range on an organization's amount of spending by supplier, total spend amount and card activity. The user can drill down to detailed data and export it into MS Excel, MS Access or like programs. The "Company Reports" section of Payment Manager presents "Card Transaction History" which details all transactions posted to the Super Card account through the prior day. Also presented is the "Manager Memo Statement" which details the employee's Super Card account by monthly billing period starting with the January 2003 bill. All report data can be filtered, sorted and exported. These features, the Synopsis Profile chart and the attachment will be explained in detail during the training session.

The administration capabilities will be rolled out during the fourth quarter of this calendar year and detailed in a separate memo.

SUPER CARD PROGRAM

Profiles

TRAVEL and Entertainment			PURCHASING		
CAPS	MCC CODES		CAPS	MCC CODES	
$2K - $30K	Airlines, Hotels #3000+ " " " #4000+ """"	No $ limit No blocked MCC codes	$1K - $30K Can be Higher	Airlines, Hotels #3000+ " " " #4000+ """"	$2500 limit No blocked MCC codes
$2K - $30K	Restaurants & Food	Few Blocked MCC Codes No $ limit	$1K - $30K Can be Higher	Restaurants & Food	Few Blocked MCC Codes $2500 limit
$2K - $30K	**Supplies**	Many Blocked MCC Codes No $ limit	$1K - $30K Can be Higher	**Supplies**	Few Blocked MCC Codes $2500 limit
$2K - $30K	**Services**	All MCC Codes Blocked No $	$1K - $30K Can be Higher	**Services**	Few MCC Codes Blocked $2500 limit
$2K - $30K	**Contractors**	All MCC Codes Blocked No $	$1K - $30K Can be Higher	**Contractors**	Few MCC Codes Blocked $2500 limit
NADA	**Illegal Expenditures** Alcohol, Gambling, Massage Parlors			**Illegal Expenditures** Alcohol, Gambling, Massage Parlors	**NADA**